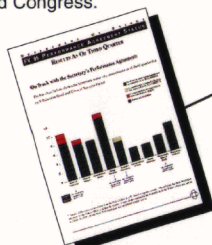
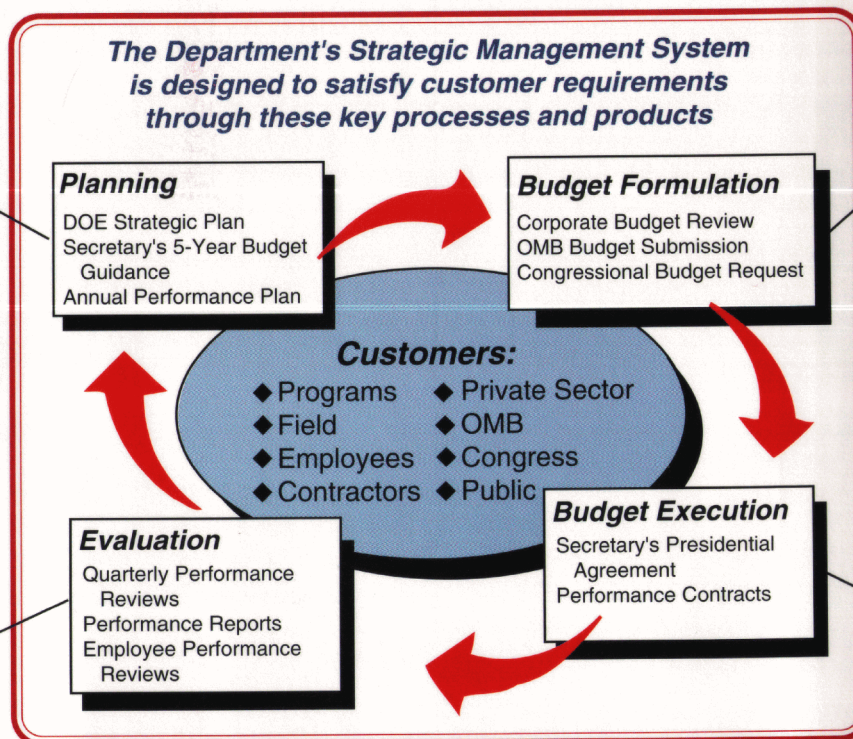




Planning is conducted at five organizational levels: DOE Corporate, Business Line and Critical Success Factor, Secretarial Officer, Field Office, and Contractor; and also for three time frames: Strategic (5 to 20 years), Multi-year (5 years), and Annual (1 year). Strategic planning determines the direction the Department will take toward achieving stated goals. The Secretary's 5-Year Budget Guidance provides funding and staffing levels and program direction and begins the annual budget formulation process. The Annual Performance Plan states the results the Department expects to deliver for the fiscal year budget request and goes with the budget to OMB and Congress.

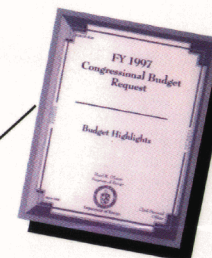


Program Evaluation includes performance measurement and tracking, analysis, and reporting. Measuring and tracking provides the data for analyses that inform management's current fiscal year decisions as well as future plans and budgets. Program evaluation also includes systematic analyses to determine the value or worthiness of new programs that are being considered for funding. Reporting is the documentation and sharing of performance measurement and evaluation information with customers and stakeholders to support decision-making and for improvement. Performance reviews at multiple organizational levels provide feedback to ensure progress and accountability.

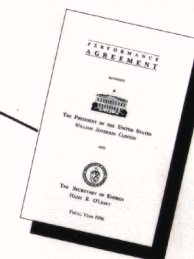


PERFORMANCE IS THE COMMON LINK

Performance measurement expands the concept of "success" from the mere accomplishment of activities to that of delivering desired outcomes and results to customers. Performance measures provide the linkage between the processes of planning, budgeting, executing, and evaluating. In planning, performance objectives are defined in terms of measurable results. In budget formulation and execution, resources are allocated and expended to deliver measurable products and services. In evaluation, success is based upon the measurement and analysis of actual performance. This concept of performance must be cascaded through all of the Department's organizational levels, i.e., from the DOE Corporate level down to the contractor level. Ultimately, performance measurement provides a path of accountability between the Department's long-term vision and the day-to-day activities of individual federal and contractor employees.



Budget Formulation allocates fiscal and personnel resources against priorities. The process is designed to provide 5-year budget and staffing guidance as early as possible, to make major issues and concerns highly visible, to enable the Department's top management to make decisions in an efficient and timely manner, and to deliver a performance-based budget to OMB and Congress on schedule.



Budget Execution uses the Department's appropriated funds to deliver goods and services to customers. The Secretary's Performance Agreement with the President identifies the core set of our commitments and measures. The work is predominantly accomplished through performance-based contracts administered by DOE Field organizations. It is therefore critical that the performance commitments made in the Department's planning and budget formulation processes be clearly communicated, understood, and agreed to by Program Offices, Field Offices and Contractors.